



**STATE
SENATOR**
Wayne Kuipers
30TH SENATE DISTRICT E-MAIL UPDATE



Kuipers Supports MBT Surcharge Phase-out Approved by Michigan Senate

During the first full week of session for the 95th Legislature, Senate Republicans made a positive statement to job providers by making a phase-out of the business tax surcharge the first bill to be passed by the Michigan Senate.

Senate Bill (SB) 1 phases out the 22 percent surcharge on the Michigan Business Tax (MBT) over two years. The surcharge would be reduced to 11 percent for the tax year ending in 2009, and eliminated entirely the following year.

The elimination of the surcharge was the top recommendation of the Senate MBT Impact Assessment Subcommittee in 2008 after hearing testimony from business owners and taxpayers across the state.

SB 1 now heads to the House of Representatives for consideration.

College Tuition Promise Zone Bill Enacted

Legislation that would allow local communities to create promise zones and provide college tuition to all students living within designated areas was recently enacted into law.

Public Acts 549 and 550 of 2008 allow promise zones in cities, townships, counties, local school districts and intermediate school districts where the child poverty rate exceeds the statewide average.

Communities would be responsible for raising private dollars to begin the programs. Two years after development, the state would begin providing a financial match by capturing half of the state education tax growth within the community.

The measure limits the total number of promise zones to ten, and provides enough financial assistance to cover the cost of an associate degree.

The legislation was modeled after the Kalamazoo Promise to help other cities and areas in Michigan create similar college tuition options for local residents.